

Year 11 to A level Business Transition

1. Overview

Congratulations on deciding to take up A Level Business. Prepare to see the world in a new light! Here is some research to do before September and some research tasks

Task 1.1 A great deal of work is done using OneNote. Resources to help with research are found in [Pre Business A Level OneNote](#). Please email Mr Young r.young@wgswitney.org.uk to confirm you can see these OneNote notes

Mr Young will then create a personal section for you in the OneNote where you can record answers to Research Task

2. The market

Task 2.1 Watch these videos: [Niche & Mass Marketing](#) TakingTheBiz 12:58 | [Calculating Market Growth](#) Tutor2U 6:03 | [Calculating Market Share](#) Tutor2U 6:03. Make notes

Task 2.2 Carefully read [1.1.1 The market](#) ([Web view](#)) Make notes.

Task 2.3 Learn definitions of these terms

Business	any organisation that uses resources to create products for customers
Consumer	the individual or business who uses a product
Product	a good
Brand	a name, term, design, symbol or other feature that identifies/distinguishes one seller's products from those of rivals
Competition	when rival firms in the same industry contend for the same customers
Dynamic	constantly changing
Dynamic market	a constantly changing market
Good (product)	a physical item such as a car
Market growth	an increase in total market sales - by value or volume
Market share	the proportion of total market sales held by a firm or one of its products, expressed as a percentage
Market size	total sales of all the firms in a given market by value (£s) or by volume (quantity)
Mass market	the market for goods selling in large quantities
Mass marketing	when a business ignores market segments and sells the same product to all consumers in the same way.
Niche market	a small segment within a larger market
Online business	a business that uses the Internet for trading
Online retailing	when a business sells its products via the Internet, that is, e-commerce
Service	a non-physical item such as education
Uncertainty	being unsure about the future

3. Theories of Motivation

Task 3.1 Watch [Taylorism, Scientific Management & Motivation](#) 12:10 TakingTheBiz | [Elton Mayo & The Human Relations School of Motivation](#) 9:04 TakingTheBiz | [Maslow's Hierarchy of Needs](#) 8:35 TakingTheBiz | [Herzberg's Two Factor Theory](#) 7:23 TakingTheBiz. Make Notes

Task 3.2 Carefully read [1.4.4 Motivation in theory and in practice](#) ([Web view](#)) Make notes

Task 3.3 Learn the definitions of these terms

Authority	the power managers have to direct subordinates and make business decisions
Bonus	staff earn an extra payment if they reach a particular target
Commission	staff are paid for the amount they sell eg 10% commission means a £10 bonus for every £100 of sales made
Consultation	a discussion between stakeholders about a specific issue
Delegation	when managers give subordinates the authority to carry out specific tasks and make certain decisions
Empowerment	granting staff greater authority to take decisions that affect their working life without reference to managers
Financial incentives	the use of money to motivate staff
Flexible working	when staff are organised to be multi-skilled and/or able to work variable hours
Fringe benefits	non-monetary payments such as a company car or free medical insurance
Hygiene factors	work issues that can cause dissatisfaction
Job enlargement	redesigning a job to give staff additional tasks of similar complexity
Job enrichment	redesigning a job to give staff more challenging and complex tasks and responsibility
Job rotation	moving workers from one task to another requiring similar skill levels
Maslow hierarchy of needs	a theory that there are five levels of human desires that staff want work to fulfil
Motivation	the desire to work harder
Motivators	factors that cause satisfaction hence motivation
Piecework	staff are paid for each item made
Team working	when a group of staff act together to achieve a common goal

4. Sources of Finance

Task 4.1 Watch [Sources of Finance](#) TakingTheBiz | [Sources of Finance: Retained Profits](#) Tutor2U 4:54

Task 4.2 Carefully read [2.1.1 Internal finance](#) ([Web view](#)) and [2.1.2 External finance](#) ([Web view](#)). Make notes.

Task 4.3 Learn these terms

Distributed profit	the amount of profit paid out to shareholders (owners)
Finance	the amount of funds a business has to support its activity
Internal finance	funds generated by owners of the business
Owner's capital	money proprietors invest in the business
Retained profit	profit kept back by a company rather than being paid out to shareholders as dividends
Sources of finance	the origin of funds available to a business, for instance, profit or money lent by a bank
Business angels	a potential investor who provides finance for a start-up company in exchange for part ownership of the business
Crowd funding	the process of raising small amounts of money from large number of individuals, typically via the internet
External finance	funds raised from outside the business such as share capital and loan capital (bank loan)
Grants	an amount of money given to a company for a specific purpose or project eg to encourage a business start-up
Leasing	when a business rents assets items such as vehicles or photocopiers for a set period of time
Loan capital	business funds borrowed from external sources eg bank loans and debentures
Loans	a sum of money borrowed for a period of time, usually with an interest charge
Mortgage	a long term loan secured against land or buildings
Overdraft	an agreement by a bank to allow a firm to spend more money than it has in its account, up to an agreed limit
Peer-to-peer (P2) funding	an online lending site matches up savers who are willing to lend with borrowers looking for a loan
Share capital	the amount of money invested by shareholders (owners) in a company
Trade credit	delayed payment terms offered by a seller to a buyer
Venture capital	money invested in exchange for shares in a start-up or growing business seen to have high growth potential

5. Sales, revenue and costs

Task 5.1 Watch [Business Costs](#) Tutor2U 5:09

Task 5.2 Carefully read [2.2.2 Sales, revenue and costs](#) ([Web view](#)). Make Notes

Task 5.3 Learn these terms

Average fixed cost	the fixed cost of making one item ie unit fixed cost
Average total cost	the cost of making one item often called average cost or unit cost
Average variable cost	the variable cost of making one item often called unit variable cost
Cost (of production)	the amount spent by a business on making goods or services
Loss	when total revenue is not enough to cover costs
Price	the amount customers pay for a good or a service
Profit	the amount left over from revenue after paying costs
Revenue	the amount of income a business earns from selling goods and services
Sales revenue	Another term for total revenue or turnover, that is, the amount of income received from selling goods or services
Sales volume	the number of units sold
Total cost	the amount of money spent by a firm on producing a given level of output. Calculated using the formula $TC = TFC + TVC$
Total fixed cost	the sum of sum of all those costs that <i>do not</i> change as output changes
Total variable cost	the sum of sum of all those costs that <i>do</i> change as output changes
Unit cost	the average cost of producing one item
Volume	a number of units; quantity

6. How an Economy Works

Task 6.1 Watch these videos and make notes

1. [How an Economy Works](#)
2. [The Business Cycle](#)

Please email Mr Young r.young@wgsnitney.org.uk if you have any questions about the above